

BILL NO. 002-2007

AN ORDINANCE

**AUTHORIZING THE MAYOR TO EXECUTE THE LEASE BETWEEN
THE CITY OF READING AND CITIZENS BANK OF PENNSYLVANIA.**

WHEREAS, the City of Reading is the legal owner of certain property fronting on the West side of Centre Avenue, South of Cathedral Street and North of First Energy Stadium as set forth in the attached agreement; and

WHEREAS, an agreement is currently in place between the City of Reading and Citizens Bank of Pennsylvania whereby the aforementioned property is used as a parking lot, as described in the attached agreement; and

WHEREAS, Citizens Bank of Pennsylvania desires to amend the present agreement, in order to extend the term for four (4) additional five (5) year terms.

**NOW, THEREFORE THE COUNCIL OF THE CITY OF READING
HEREBY ORDAINS AS FOLLOWS:**

SECTION 1. The Mayor is authorized to execute any and all documents necessary to effectuate the amendment of the lease between the City of Reading and Citizens Bank of Pennsylvania, extending the terms of the agreement for four (4) additional five (5) year terms.

SECTION 2. This Ordinance shall be effective ten (10) days after passage.

Enacted Sept 7, 2007

[Signature]
President of Council

Attest

[Signature]
City Clerk
(Council Staff)

Submitted to Mayor: [Signature]

Date: 9-11-07

Received by the Mayor's Office: mz

Date: 9-11-07

Approved by Mayor: [Signature]

Date: 9/12/07

Vetoed by Mayor: _____

Date: _____

I, LINDA A. KELLEHER, City Clerk of the City of Reading, Pa., do hereby certify, that the foregoing is a true and correct copy of the original Ordinance passed by the Council of the City of Reading, on the 10th day of Sept, A. D. 20 07. Witness my hand and seal of the said City this 12th day of Sept, A. D. 20 07.

[Signature]
CITY CLERK

FIRST AMENDMENT TO AGREEMENT OF LEASE

THIS FIRST AMENDMENT TO AGREEMENT OF LEASE (this "Amendment") is made and entered into this ____ day of June, 2007 by and between CITY OF READING, PENNSYLVANIA, a Pennsylvania municipal corporation, with its offices located at 815 Washington Street, Reading, Pennsylvania (hereinafter called "Landlord") and CITIZENS BANK OF PENNSYLVANIA, a Pennsylvania financial institution, with its offices located at 801 Market Street, Philadelphia, PA 19107 (hereinafter called "Tenant").

WITNESSETH:

WHEREAS, Landlord and Tenant entered into that certain Agreement of Lease (the "Lease") dated August 11, 2003 and a certain prior Agreement of Lease, whereby Landlord demised and leased to Tenant that certain premises situated on a parcel of land fronting on the West side of Centre Avenue, South of Cathedral Street and North of First Energy Stadium in the City of Reading, County of Berks, State of Pennsylvania for use as an automobile parking lot, as more particularly described in the Lease (hereinafter called the "Premises") and

WHEREAS, Landlord and Tenant desire to amend the Lease in order to (i) grant Tenant the option to extend the term of the Lease for two (2) additional five (5) year terms, (ii) grant Tenant the right to transfer, assign or convey all of Tenant's right, title and interest in, to and under the Lease to Inland (as defined below) or any other third (3rd) party at any time during the term of the Lease without obtaining the consent or approval of Landlord and (iii) make other agreements all on the terms and conditions provided herein.

NOW THEREFORE, Landlord and Tenant, in consideration of the mutual promises and covenants contained herein and in the Lease, and intending to be legally bound hereby, agree to amend the Lease as follows:

1. Landlord and Tenant agree and acknowledge that the current term of the Lease commenced on April 1, 2004 and expires on March 31, 2009 (the "Initial Term"). Landlord and Tenant further agree and acknowledge that Tenant by giving Landlord twelve (12) months written notice of its intention to do so, may extend the Initial Term for one (1) additional five (5) year period running from April 1, 2009 until March 31, 2014, under the same terms and conditions of the Lease with the exception of the payment of rent (the "First Extended Term"). Landlord hereby agrees to grant Tenant the option to further extend the First Extended Term for two (2) additional extended terms of five (5) years each (the "Additional Extended Term(s)"). Tenant may exercise its option to extend for any Additional Extended Term(s) by giving written notice to Landlord at any time during the then existing term of the Lease, but no later than twelve (12) months prior to the end of the then existing term. All of the terms and conditions applicable during the term shall apply during any Additional Extended Term(s), except for rent. In the event Tenant exercises an Additional Extended Term(s) as provided herein, the rent payable under the Lease shall increase at the greater of the following: (i) three (3%) percent per annum during each year of the Additional Extended Term(s), as exercised by Tenant (for example, if Tenant exercises the first Additional Extended Term, Tenant shall pay rent to Landlord in the

amount of TWO THOUSAND ONE HUNDRED NINETY FOUR DOLLARS AND FORTY NINE CENTS (\$2,194.49) per month beginning April 1, 2014, and on the first day of each month thereafter through March 31, 2015, thereafter the rent shall again increase as provided herein.) or (ii) effective as of the first day of the second and each subsequent lease year throughout the Additional Extended Term(s) as exercised by Tenant, the rent payable by Tenant shall be increased by an amount determined by multiplying the rent payable during the then current lease year by the CPI Increase. The term "CPI Increase" shall mean a fraction, expressed as a decimal, the numerator of which is the Current CPI minus the Prior CPI and the denominator of which is the Prior CPI. The "Current CPI" is the CPI for the calendar month that is three months prior to the first calendar month of the lease year for which the rent increase is being calculated (e.g., January 2014 for a Lease Year commencing April 1, 2014) and the "Prior CPI" is the CPI for the calendar month that is fifteen months prior to the first calendar month of the lease year for which the yearly rent increase is being calculated (e.g., January 2013 for a Lease Year commencing April 1, 2014). The term "CPI" shall mean the "Consumer Price Index for All Urban Consumers (CPI-U)" published by the Bureau of Labor Statistics of the United States Department of Labor, All Items (1982-84=100), U.S. City Average, or any successor index thereto, appropriately adjusted. If the CPI ceases to be published and there is no successor thereto, such other government or non-partisan index or computation shall be used which would obtain a substantially similar result as if the CPI has not been discontinued. Notice of the new rent shall be delivered to Tenant twenty (20) days prior to the effective date of any such adjustment, but any failure to do so by Landlord shall not be or be deemed to be a waiver by Landlord of Landlord's rights to collect such sums.

2. Notwithstanding the provisions contained in the Lease to the contrary, Landlord expressly and irrevocably agrees, acknowledges and consents to Tenant transferring, assigning or conveying all of Tenant's right, title and interest in, to and under the Lease to Inland American CFG Pennsylvania Portfolio DST, a Delaware statutory trust ("Inland") or to any other third (3rd) party at any time during the term of the Lease and agrees that the assignment shall not be a default under the Lease. Upon any such transfer, assignment or conveyance of the Lease, Landlord hereby releases Tenant, its affiliates, and their respective officers, directors, agents and employees from any and all liability under the Lease regardless of when such liability arose, excepting only rental payments accruing up through the date of transfer, assignment or conveyance to Inland or such third (3rd) party.

3. In the event that Landlord reasonably determines that the Premises should be included in a future development project for an abutting land owner in the City of Reading, Pennsylvania Landlord reserves the right, to require Tenant, upon one hundred eighty (180) day's prior written notice to Tenant, to cease its parking activities at the Premises and relocate (the "Relocation Right") its parking activities to a new parking area owned by Landlord (the "New Premises"). In the event Landlord exercises the Relocation Right, the Relocation Right shall not be deemed validly exercised by Landlord unless the New Premises meets all of the following requirements: (i) the New Premises is a reasonable distance from the Premises but no greater than twenty (25) feet linear feet from the front of the Premises; (ii) The New Premises contains the same or a greater amount of dedicated parking spaces for Tenant's exclusive use and (iii) The New Premises is of substantially equivalent size, shape, condition and configuration and is

provided to Tenant at no additional cost or expense to Tenant. If the Relocation Right is validly exercised by Landlord it shall be on all of the same terms and conditions of the Lease.

4. Except as expressly modified herein, the terms and conditions of the Lease shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties aforesaid have hereunto set their hands and seals the day and year first above written.

LANDLORD:

Attest:

CITY OF READING, PENNSYLVANIA

By: _____

By: _____

Name:

Name:

Title: City Clerk

Title:

TENANT:

Attest:

CITIZENS BANK OF PENNSYLVANIA

By: _____

By: _____

Name:

Name:

Title:

Title: